



The Harley-Davidson Inc. motorcycle manufacturing plant in Kansas City plans to close the plant by the summer of 2019 in response to decreased sales of motorcycles both nationally and overseas. **ALLISON LONG** File photo

JOCO DIVERSIONS

Closing of a business shows the importance of planning

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Special to The Star

February 13, 2018 10:32 PM

Harley Davidson's decision to close the Kansas City manufacturing plant is a blow to this region. The plant opened here in 1998 and recently reported some 800 workers.

The North Kansas City plant, set to close completely by early 2019, offered good jobs with an iconic American company.

The next steps for those employees are critical.

Besides the anxiety and stress of losing a job, there are important financial implications for everyone involved. Few events in life impose so much trauma on a family as changing jobs, and a forced change is among the worst. Suddenly, money takes on new importance.

Every employee is different.

Age, income, family and financial needs can look similar, but rarely are. Although they face similar choices, the right answers depend on specific circumstances. It's usually a mistake to follow the lead of a colleague, whose situation is probably different from yours.

Good choices depend on thoughtful analysis of some personal issues:

- **Current financial status:** Are you single or married? Do you have other family income? A working spouse can help during times of unemployment, especially if you can get health insurance through your spouse's employer. Do you have emergency money in the bank? How long can you go without working?

- **Age and family needs:** Younger workers may face a big mortgage and a houseful of children. Older workers may have health limitations or fewer job prospects. Some workers nearing retirement age anyway may choose not to seek another job.

- **Likely job prospects:** Some skills are easier to market than others. How likely are you to find work in the Kansas City area? How will it pay compared to that of your previous employer? Can you quickly enhance your skills or training to make yourself more marketable?

With these issues in mind, it will be necessary to address several important decisions. Although this list isn't comprehensive, these are some of the most important decisions:

Health insurance: COBRA benefits create a short-term solution but they are often expensive and inflexible. Harley Davidson is a large company with good insurance, but that often translates into high premiums after you leave. Younger workers may save money by seeking an individual policy without all the bells and whistles. Almost anyone with a working spouse should consider the family coverage there. In any case, COBRA coverage usually runs for 18 months, so everyone will eventually need another insurance option.

Retirement plans: Workers often look to their 401(k) savings as a source of money during unemployment. For some, that may be the best place to look. But the costs are high – both federal and state taxes are due on withdrawals – and that money is no longer available for investing or retirement. For some workers

with promising job prospects, borrowing needed money could be a better choice. If the 401(k) money is necessary, I suggest withdrawals as needed instead of a lump sum. That way, you won't pay taxes on money until you need it to live on.

Unemployment benefits: Unemployment payments can help bridge the gap until you find new work but they are mostly supplemental. Still, every little bit helps when you aren't working.

Budget adjustments: This is always tough, but most workers at the plant have some lead time to prepare. Gather information on possible benefits, health insurance costs and other money issues. How much adjustment is needed? Where can you adjust without disrupting your lifestyle and needs? Are there things you can do to boost your emergency fund or savings? Can you sell unused items? Empty the garage or basement, perhaps?

There are two really important points about the Harley Davidson situation: The trauma is likely to be short-lived. Unemployment in the United States is low and good workers are in demand everywhere. If you want, you'll probably find new work faster than it seems.

There are a lot of professional advisers who will be glad to help you evaluate your situation and needs. Most will offer a free consultation, and almost all of them are well-versed on these employment issues. They should listen with both empathy and expertise, and help you reach successful decisions.

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